

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2043 - SB 1780

March 24, 2011

SUMMARY OF BILL: Authorizes utility management review boards to initiate a contested case hearing to determine if a member of a utility district board of commissioners should be removed from office because the utility district failed to comply with a management review board order; the member failed to fulfill any fiduciary responsibility to the district; the member committed misconduct in connection with such office; or the member failed to fulfill any duty imposed by law. Requires the boards to review audit reports from the Comptroller of the Treasury. Establishes procedure and standards of proof required to initiate a removal proceeding and the eventual removal of a member.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Tennessee Association of Utility Districts (TAUD), there were two petitions to remove a utility commissioner filed in 2010. One petition was heard before an administrative law judge who subsequently ruled in favor of the district. The second petition was dropped by the petitioner.
- Based on information provided by TAUD, there were no petitions filed to remove commissioners in the 10 years prior to 2010.
- The utility management review board will hold hearings to remove commissioners at their regularly scheduled meetings.
- There will be less than one hearing each year to remove utility district commissioner resulting in a not significant increase to local expenditures.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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